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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

JUL 27 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Amendment of the Part 69 )  
Allocation of General Support )  
Facility Costs )

CC Docket No. 92-222

OPPOSITION OF SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT) files its Opposition to the Petition for Reconsideration (PFR) of MFS Communications Company, Inc. (MFS). MFS has requested the Commission to reconsider its Order<sup>1</sup> in this docket and rule that any change in allocation of General Support Facilities (GSF) costs "be postponed until the Commission ha[s] resolved other pricing issues."<sup>2</sup> Because the PFR advances no new arguments in support of the requested relief, and because the requested relief would go far beyond the scope of this proceeding, the PFR should be denied.

The Order modifies Section 69.307 of the Commission Rules (47 C.F.R. §69.307) to permit the rates for special access and switched transport to be brought closer to cost by correcting the misallocation of GSF investment to non-common line categories. According to the Commission, correcting the misallocation "will make access services more efficiently priced, which will stimulate

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<sup>1</sup> Report and Order, CC Docket No. 92-222, released May 19, 1993 (Order).

<sup>2</sup> Petition for Reconsideration of MFS Communications Company, Inc., p. 2 (PFR).

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additional usage of the access network by those services whose rates are lowered as a result."<sup>3</sup>

As the Order points out, twenty-three parties filed Comments in this docket, and sixteen filed Replies. Only one objected to the proposed reallocation of GSF.<sup>4</sup> MFS did not object to the reallocation. All MFS sought in its original comments, and all MFS seeks in its PFR, is a delay of the GSF reallocation until the Commission has time to resolve "other pricing issues that have the effect of precluding effective competition for most interstate access services."<sup>5</sup>

In denying MFS's initial request, the Order listed "several broader changes" requested by various parties: an increased cap on SLC (Subscriber Line Carrier) charges, a public policy rate element for certain costs, a rate differential between business and residential CCL (Carrier Common Line) charges, and a comprehensive review of access charges.<sup>6</sup> The Order correctly points out that these requests (including the request of MFS for a comprehensive review of access charges) are "clearly beyond the scope of the Notice, which is limited to the misallocation of GSF investment and expenses to non-common line access service categories."<sup>7</sup>

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<sup>3</sup> Order, p. 8.

<sup>4</sup> Order, pp. 2-3.

<sup>5</sup> PFR, p. 1.

<sup>6</sup> Order, p. 11.

<sup>7</sup>Id.

Significantly, in reasserting in a PFR the original request--that the issue of GSF reallocation be dealt with in a comprehensive review of access charges--MFS has advanced no new arguments. For this reason alone, the PFR should be denied.

The PFR is yet one more attempt by MFS to delay all regulatory change which might subject MFS to the competition which it otherwise so loudly trumpets. When MFS lauds competition, as is now plain to all, MFS means competition to be faced by local exchange carriers (LECs), not competition to be faced by MFS. MFS wants a boxing match in which it alone is allowed to throw punches.

Thus, the PFR states, without a trace of irony: " . . . the Commission must be extremely cautious that in seeking to 'level the playing field' it does not inadvertently tip the balance in favor of one set of competitors."<sup>8</sup>

The GSF cost reallocation was a compromise solution to the need for LEC recovery of lost contributions arising from special access expanded interconnection. The Order's requirement of removing the over-allocation of GSF costs from special access services is clearly consistent with the objective of stimulating a competitive market. Really, what MFS is complaining about is that the Order in this docket will lower the umbrella under which MFS prices its own services. This is what MFS means when claiming that the playing field is tilted. Further, MFS has not offered a shred of evidence to show that it will suffer competitive harm.

MFS either ignores or fails to understand that GSF reallocation will benefit not only LEC special access customers but

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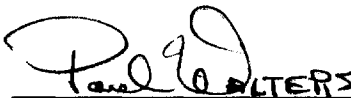
<sup>8</sup> PFR, p. 3.

also LEC collocated customers (such as MFS) by reducing the rates for expanded interconnection. Moreover, the MFS allegations concerning LECs' expanded interconnection and volume and term pricing have already been propounded by MFS and rejected by the Commission.

Every argument made by MFS in the PFR has been made many times previously by MFS, and rejected many times previously by the Commission. SWBT therefore requests that the PFR be denied.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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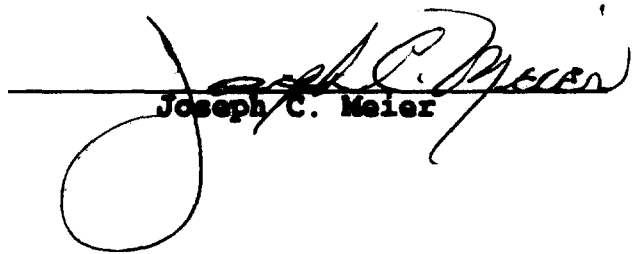
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July 27, 1993

**CERTIFICATE OF SERVICE**

I, Joseph Meier, hereby certify that the foregoing "Opposition of Southwestern Bell Telephone Company", In CC Docket No. 92-222, has been served this 27th day of July, 1993 to the Parties of Record.

  
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